



RDA/FmHA AN No. 2859 (1940-L)

September 8, 1993

**SUBJECT: Procedures for Processing Fiscal Yearend
Obligations of Loan Authorizations**

**TO: Regional Directors, RDA
State Directors, FmHA
RDA-Detailed State Program Chiefs, FmHA
Assistant Administrator, Finance Office**

PURPOSE/INTENDED OUTCOME:

This administrative notice (AN) provides guidelines to assure that all fiscal yearend loan and grant obligations are timely and properly recorded in the Finance Office records and that borrowers are officially notified by the field offices of loan and grant approval by close of business (COB) on September 30, 1993.

COMPARISON WITH PREVIOUS AN:

No AN has been issued on this subject matter for fiscal year 1993.

IMPLEMENTATION RESPONSIBILITIES:

The following procedures **MUST BE FOLLOWED** in processing all loan and grant obligation requests.

1. All obligation requests must be processed through the FmHA field office terminal system **NO LATER THAN** the dates shown in the following paragraphs. Obligation transactions entered through the field office terminals that show up as rejections on October 1, 1993, must not be reprocessed until the National Office advises you that fiscal year 1994 funding authority is available.
2. Obligation requests for loan and grant programs requiring a 6-workday reservation of funds must be processed through the field office terminal system no later than September 22, 1993, to comply with the 6-workday reservation of funds requirement. Reprocessing of obligation transactions that show up as rejections on September 23 must be approved/coordinated through the appropriate program division in the National Office as the obligation date will be September 30 and the reservation of funds would be less than 6 workdays.
3. Obligation requests for all other loans and grants must be processed through the field office terminal system no later than COB September 30, 1993. The terminal system will be available on Saturday, September 18; Saturday, September 25; and Sunday, September 26, from 8 a.m. to 3:30 p.m., Central daylight time (CDT). The User Support Expert Resolution Branch, at 314-992-0301, will be staffed from 9 a.m. to 1 p.m., CDT, on these days to resolve any problems related to manuscripting or discrepancy correcting of obligation transactions.

EXPIRATION DATE: October 31, 1993

FILING INSTRUCTIONS:

Preceding FmHA Instruction 1940-L



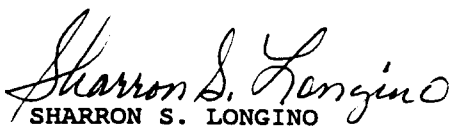
4. Requests for cancellation of loan and grant obligations with related voucher cancellations for loan and grant programs processed via Concentration Banking System requiring a 6-workday reservation of funds must be received in the Finance Office (FO) no later than September 8, 1993. For wholesale lockbox cancellations, mailing time to the lockbox bank must be considered in order to ensure the cancellations are received in the FO by September 8, 1993. Obligation-only cancellations entered through the field office terminal system must be processed by COB September 10. These cutoff dates will ensure that funds are available for processing other obligation requests to comply with the 6-workday reservation of funds requirement.


5. Requests for cancellation of loan and grant obligations with related voucher cancellations for all other loans and grants processed via Concentration Banking System must be received in the FO no later than September 15, 1993. Obligation-only cancellations entered through the field office terminal system must be processed by COB September 17. It is important to submit cancellation requests as far in advance of the cutoff dates as possible to ensure the funds are available for processing other obligation requests. For wholesale lockbox cancellations, mailing time to the lockbox bank must be considered in order to ensure the cancellations are received in the FO by September 17, 1993.

All loan and grant applicants should be notified that loan and/or grant approval is subject to the availability of funds.

Because of anticipated revisions to the automated system required for fiscal year 1994, the availability of the automated system may be impacted in early October. As a result, requests for loan advances normally processed in that timeframe should be completed earlier if possible. Field offices will be notified when terminals become available. Separate procedures will be provided outlining cutoff dates for processing loan costs.

For control purposes and for purposes of keeping the unprocessed inventory of obligation transactions at a manageable level, field offices may manuscript obligation transactions as soon as terminals are made available in October. However, until you are advised that fiscal year 1994 funding authority is available, the transactions should be entered leaving the process code as "C," which will cause the transactions to be held in suspense. After you are notified that funding authority has been received and you determine that you want to process the transactions, change the process code of "C" to "P." Revised procedures will be provided for processing obligation requests and related credit sales in fiscal year 1994.


SHARRON S. LONGINO
Acting Administrator
Farmers Home Administration


WILBUR PEER
Acting Administrator
Rural Development Administration